

FY2020 BUDGET HEARINGS

JOINT COMMITTEE ON
APPROPRIATIONS

JANUARY 28, 2019



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Academic Quality



- ▶ The Chiesman Center for Democracy, South Dakota's leading institute for the promotion of civic engagement, moved to USD this fall, joining the W.O. Farber Center for Civic Leadership and the Government Research Bureau in the Department of Political Science.
- ▶ USD is actively recruiting the operations of "Middle West Review," an interdisciplinary academic journal about the American Midwest spearheaded by Jon Lauck, Ph.D., a well-respected South Dakota historian and U.S. Sen. John Thune's senior political advisor. "Middle West Review" is the only publication dedicated exclusively to the study of the Midwest as a region. It provides a forum for scholars and nonscholars alike to explore the contested meanings of Midwestern identity, history, geography, society, culture and politics. USD will provide office space, limited secretarial support and one graduate assistant for this journal.
- ▶ U.S. News & World Report ranked USD's Beacom School of Business online Master of Business Administration (M.B.A.) and Master of Professional Accountancy (M.P.A.) programs among the top of its 2019 Best Online Program Rankings. USD was ranked 73rd out of 301 schools in the top M.B.A. programs, and 56 out of 156 schools for its M.P.A. program.
- ▶ U.S. News & World Report ranked USD's School of Education 43rd out of more than 400 schools. USD's School of Education is ranked higher than all South Dakota, North Dakota and Minnesota schools.
- ▶ USD's musical theatre program graduates have landed major roles in national productions, most notably Ebrin Stanley portraying James Madison in the Chicago production of "Hamilton," and Cody Strand as Elder Cunningham in the Broadway production of "Book of Mormon."
- ▶ In Fall 2019, USD will offer an undergraduate biomedical engineering (BME) degree in partnership with South Dakota School of Mines & Technology.
- ▶ USD develops entrepreneurs through curriculum (entrepreneurship and innovation minor) and practice (Invent-to-Innovate Business Model Competition).
- ▶ USD's Beacom School of Business has partnered with POET to create the POET Center for Business Analytics in conjunction with offering new graduate-level programs in data analytics to meet the needs of South Dakota's economy.



Research

External funding for grants and contracts at USD has increased by 48 percent since 2014 to an FY18 total of \$29.7 million. USD research also supports economic development in areas such as biotechnology at the USD Discovery District and GEAR Center. Among this year's highlights:

- ▶ The USD Discovery District, an 80-acre research park in Sioux Falls, provides an infrastructure that positions South Dakota to attract the next big industry to the state.
 - ▶ Projected to significantly impact the state's economy through the private development of 26 buildings (\$314 million) and employment of 2,800 workers.
 - ▶ Two anchor tenants, SAB Biotherapeutics and Alumend, are positioning the state as a leader in biotechnology.
- ▶ The GEAR Center houses three commercial tenants – Alumend, Antimicrobial Materials Incorporated and Tailored Medical Devices – in incubator spaces. One of these, Tailored Medical Devices, has licensed a USD-invented technology for the treatment of peripheral artery disease and is collaborating with researchers at Sanford Health to bring the technology to market.
- ▶ USD's Department of Biomedical Engineering and the GEAR Center assisted five South Dakota companies to prepare materials for pre-clinical trials in their facilities, including use of the certified Good Manufacturing Practices.
- ▶ USD's Beacom School of Business collaborated with the South Dakota Governor's Office of Economic Development to secure an i6 Innovation Challenge grant to develop a proof-of-concept program in bioscience innovation. The \$1 million, three-year grant will support creation of a Center for Innovation and Entrepreneurship. Additionally, a laboratory science certification training program at USD will be developed in collaboration with industry partners to meet the needs of South Dakota biotech employers.
- ▶ Biology Professor Paula Mabey, Ph.D., was awarded funding for a team to be part of a National Institutes of Health's (NIH) project called the Human BioMolecular Atlas Program (HuBMAP). HuBMAP is a program of the NIH Common Fund. This is a four-year, \$54 million initiative to develop an open, global map of the adult human body from the level of molecules in individual cells through tissue and whole-body anatomical levels – essentially a Google Map of the human body.
- ▶ USD added a new invention from physical therapy for an ankle range-of-motion device to a current group of 30 patented/patent-pending technologies. This new technology is currently under market development by a South Dakota start-up company, the Rehab Academy.



Workforce & Rural Development



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- ▶ USD ranks first, nationally, for the proportion of medical school graduates who practice in rural areas.
- ▶ For the past five years, 57.2 percent of all USD graduates remained in South Dakota after graduation. More than 70 percent of all graduates originally from South Dakota stayed in the state after graduation.
- ▶ As South Dakota's flagship liberal arts university, students are provided the foundation of learning "how" to learn, and to do so continuously throughout one's life. This positions USD graduates to be successful in any industry in an ever-evolving global society and helps meet South Dakota's unmet workforce needs.
- ▶ Nursing and communication sciences at USD, in collaboration with the Department of Health Early Hearing Detection and Intervention, is spearheading a teleaudiology pilot program with the spike sites located at Sanford in Winner and Avera in Aberdeen. The purpose of project is to increase access in areas of need for audiology diagnostics.
- ▶ USD School of Education's alternative certification program trains graduates with a bachelor's degree to become K-12 educators, providing a workforce for high-need rural areas.
- ▶ USD's Prairie Family Business Association focuses on long-term success of family businesses through education, access to strategic alliance partners and consulting opportunities.
- ▶ By providing access to these unserved students through UC-Sioux Falls, USD is serving as a key workforce development recruiter for South Dakota.
- ▶ University Center-Sioux Falls is positioned to help meet South Dakota's workforce needs by providing local access to the state's public university system, with an emphasis on career-focused education, from the certificate to doctoral program level.
 - ▶ USD offers the A.S. in integrated science, a blend of chemistry, biology and physics designed to aid the growing biotech and advanced manufacturing sectors.
 - ▶ USD is proud to collaborate with Southeast Technical Institute (STI) to provide a seamless transition for students who have earned a degree at STI and desire a bachelor's degree in technical leadership.
- ▶ The Sioux Falls market contains significant untapped potential that could benefit a vibrant and growing local economy. Of all 2015-2016 Sioux Falls area high school graduates:
 - ▶ 686 graduates did not pursue post-secondary training
 - ▶ Of those 686, 121 scored an 18 or higher on their ACT





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Efficiencies

- ▶ USD implemented a strategic alignment of all recruiting and marketing efforts. Developing a unified enrollment strategy increases efficiencies in admissions processing and results in cost savings through the shared use of systems. Savings have been redirected to critical-need areas, such as upgrading outdated classroom technology and furniture.
- ▶ The Office of Academic Affairs now manages the administrative functions of USD online and distance education, eliminating an associate vice president position in the process. Savings have been redirected to positions in the Office of the Registrar as well as a new Native American student advisor position in the Academic & Career Planning Center.
- ▶ Online and on-campus advising have been consolidated in USD's Academic & Career Planning Center, increasing the number of advisors available to online students with no additional personnel lines.
- ▶ USD consolidated three vice president positions (human resources, administration and finance) into one vice president of finance and administration. Savings were invested in additional student counseling services. Student counseling caseloads have increased exponentially in recent years, from 1,134 in 2014 to 2,008 in 2018. The reinvestment is critical to serving the needs of our students and was also identified as the highest-need area by a campus-wide survey conducted by the USD Student Government Association.



USD Spending is Low



Institution	Law School	Medical School	Total Degrees Awarded	FY 2016 Core Expenditures	Core Expenditures per Degree
Southern Illinois U-Carbondale	Yes	Yes	4,661	\$728,240,228	\$156,241
University of Idaho	Yes	No	2,486	\$345,285,644	\$138,892
University of Mississippi	Yes	Yes	5,331	\$768,029,097	\$144,068
University of Missouri-Kansas City	Yes	Yes	3,554	\$322,623,306	\$90,778
University of Montana	Yes	No	2,834	\$283,381,767	\$99,994
University of North Dakota	Yes	Yes	3,137	\$423,307,792	\$134,940
University of Rhode Island	No	No	4,019	\$402,499,357	\$100,149
University of Vermont	Yes	Yes	2,926	\$578,784,000	\$197,807
University of South Dakota	Yes	Yes	2,064	\$182,311,086	\$88,329

*Total Degrees Awarded includes associate, bachelor, Master's, doctoral and professional degrees (first major only). Does not include post-baccalaureate or post-Master's certificates.

*Core Expenditures excludes auxiliary services.

Affordability & Accessibility

- USD's top priority is bridging the gap for South Dakota's students with financial need. The table below identifies needs-based aid programs of contiguous states in 2015-16:

State	Expenditure	Recipients	Per student dollars
Colorado	\$115,630,654	61,369	\$1,884
Iowa	\$50,703,329	12,494	\$4,058
Minnesota	\$173,493,068	82,416	\$2,105
Nebraska	\$16,833,918	13,739	\$1,225
North Dakota	\$11,146,714	6,699	\$1,664
South Dakota	\$182,503	215	\$849
Wyoming	\$0	0	\$0

- USD's "Finish in Four" campaign focuses on affordability and encourages students to enroll in at least 15 credit hours and graduate in four years. USD has the highest four-year graduation rate in South Dakota (40 percent).

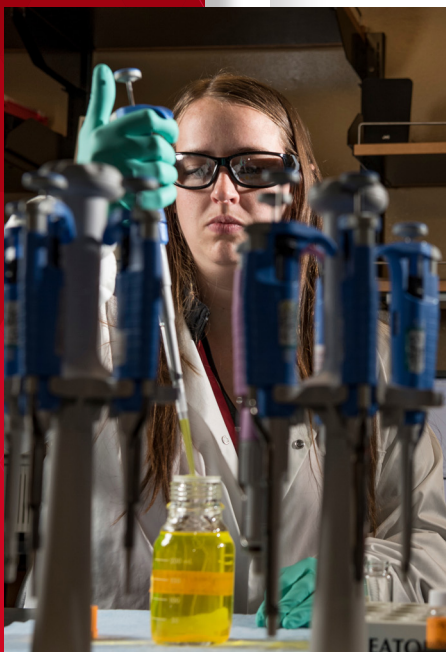


Affordability & Accessibility (cont.)

Pell Trends for USD

The gap between the cost to attend and available federal aid and/or merit-based aid is growing. Currently, a South Dakota Opportunity Scholarship-eligible student with the highest financial need would have a gap between cost and financial aid. USD has been losing PELL-eligible students. As the gap grows, enrollment has declined.

Pell trends for USD	
Year	Total Recipients
2011-2012	2,488
2012-2013	2,396
2013-2014	2,268
2014-2015	2,150
2015-2016	1,938



Scholarships

- ▶ USD awarded more than \$7 million in scholarships to 3,763 students through the USD Foundation.
- ▶ USD awarded 59 \$1,000 Coyote Legacy Scholarships to incoming children of USD alumni. This is the first year for this program.
- ▶ USD's in-state tuition program for Iowa students increased the number of Iowans admitted by 8.4 percent in fall 2018, an increase of 71 percent since fall 2015.
- ▶ USD's in-state tuition program for Nebraska students was approved by the SDBOR beginning fall 2018 and increased the number of Nebraskans admitted by 21 percent.
- ▶ New students from Colorado, Montana, North Dakota and Wyoming will have the opportunity to experience the South Dakota Advantage, a tuition program that South Dakota public universities will offer, starting next summer to new freshmen and new transfer students.
- ▶ Sanford Health has pledged \$300,000 per year to fund scholarships to USD medical students. That amount will be matched by the USD Foundation.

USD Workforce



Employee Type as Percentage of FY19 Budgeted FTE			
Career Service	35%	Part-Time Temporary	3%
Faculty	32%	Instructional Administrative	3%
Professional/Technical	27%	Non-Instructional Administrative	1%

Recruiting Difficulties

USD struggles to recruit new faculty and staff for a variety of reasons. It is not unusual for faculty searches to be extended or failed when a first-choice candidate declines an offer due to salary or location concerns. In 2018, 11 faculty searches were cancelled. USD also struggles to fill some of its lower-paid positions, such as custodial and building maintenance positions. Other high-demand positions in departments such as information technology can be difficult to recruit to a rural community like Vermillion.

Salary Competitiveness

Faculty salary competitiveness continues to be a priority for USD to ensure it is able to recruit and retain qualified faculty members. When evaluating faculty salaries in comparison to Carnegie Classification peers through use of College and University Professionals for Human Resources salary surveys, it is evident that the majority of faculty salary levels at USD are lower than its peers.

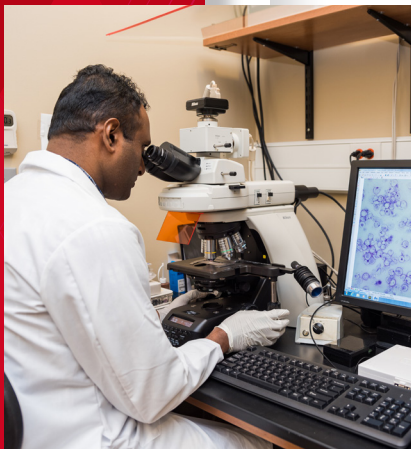
USD	Percentage of CUPA Carnegie Class Median
Instructor	74%
Assistant Professor	82%
Associate Professor	90%
Professor	92%
Across All Ranks	82%

FY17 & FY18 Utilized FTE

Employee Type	FY17		FY18	
	USD	SSOM/SHS	USD	SSOM/SHS
Non-Instructional Administrative	14.5	3.0	14.9	2.7
Instructional Administrative	18.7	19.7	19.3	19.9
Faculty	337.7	131.8	328.7	134.3
Professional/Technical	293.9	73.8	301.9	81.4
Career Service	385.5	82.7	395.8	85.0
Part-Time Temporary	21.0	5.0	20.5	2.8
Total Utilized FTE	1,071.3	316.0	1,081.1	326.2

Unutilized FTE

Unutilized FTE is mostly the result of turnover at both USD and the Sanford School of Medicine/School of Health Sciences. FTE utilization averaged 97 percent from FY16-FY18. In FY18, USD budgeted 1,102.2 FTE and the Sanford School of Medicine/School of Health Sciences budgeted 326.5 FTE.



Vacancy Savings

Vacancy savings often backfill one-time costs related to personnel costs, such as adjunct hires or leave payouts. The table below reflects all vacant positions that are being actively recruited.

Faculty Vacancies					
Days Vacant	USD	MED	Law	UC	Total
Short-term (<180 days)	4	0	1	0	5
Long-term (>180 days)	0	2	1	0	3
Total	4	2	2	0	8
Professional/Technical (NFE) Vacancies					
Short-term (<180 days)	8	3	0	1	12
Long-term (>180 days)	1	0	0	0	1
Total	9	3	0	1	13
Career Service Vacancies					
Short-term (<180 days)	11	2	1	0	14
Long-term (>180 days)	1	0	0	0	1
Total	12	2	1	0	15
All Vacancies					
Short-term (<180 days)	23	5	2	1	31
Long-term (>180 days)	2	2	1	0	5
Total	25	7	3	1	36

Budget Changes

USD experienced an increase in federal and other grant awards in areas such as biomedical engineering, physics, chemistry, sustainability and the environment, information technology, basic biomedical sciences, family medicine and surgery, the Low-Income Tax Clinic, Head Start, the Center for the Prevention of Child Maltreatment and the Center for Disabilities. USD also realigned the tuition budget for the Sanford School of Medicine.

Federal & Other Fund Sources

Federal and Other funds are critical sources in supporting USD's research and service missions.

In FY18, USD and the Sanford School of Medicine were awarded more than \$14.9 million for federal and other externally funded research activities. This represents an 8.4 percent increase over similar FY17 expenditures. USD departments excelling in research awards include basic biomedical sciences, physics and information technology.

The service missions of USD and the Sanford School of Medicine also recognized growth in other externally funded public service projects. The impactful efforts of the Center for Disabilities, Center for the Prevention of Child Maltreatment, Department of Communication Sciences & Disorders and the University Art Galleries helped deliver a 9 percent increase in expenditures supporting other externally funded public service activities.



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School of Law

USD's School of Law provides the backbone of the legal profession and the judicial system in South Dakota. Law firms are looking to hire more highly qualified South Dakota law graduates. USD is well-positioned to be successful as one of the best value law schools in the country.

- ▶ In 2018, USD's School of Law ranked:
 - ▶ In the top 10 law schools in the country for placement in state and local clerkships.
 - ▶ Sixth nationally in improved employment outcomes.
- ▶ USD's School of Law increased class size by 22 percent. The average LSAT score also rose to its highest since 2010.
- ▶ In 2018, bar passage rate increased by 30 percent.
- ▶ FY2019 new appropriations directly funded positions and enhanced operations for career services, student recruitment, experiential learning and academic support and bar prep support.

Modernizing Curriculum

- ▶ The law school is increasing its footprint in Sioux Falls through blended technology and experiential opportunities.
- ▶ The law school is pursuing partnerships across both the campus and state to produce better-prepared graduates, including:
 - ▶ 3+3 program with the Beacom School of Business.
 - ▶ 3+3 cyber law program with DSU.
 - ▶ Enhanced undergraduate law-related courses to meet growing non-JD-required compliance positions.
- ▶ Law school alumni funded a Top Scholars program that provided 13 full tuition and fees scholarships to 13 incoming law students.



Sanford School of Medicine



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SANFORD SCHOOL OF MEDICINE

The primary goals of the Sanford School of Medicine include providing a well-trained workforce for South Dakota with a focus on family and rural medicine and providing South Dakotans with the opportunity to become physicians.

SSOM has multiple efforts targeted at one of its key focus areas: Native American recruitment. Over the past 10 years, \$9.5 million in external grant funding was awarded. Examples of recent activities include the SSOM Native American Healthcare Scholars Program, a week-long SSOM Healthcare Career Summer Camp, the SSOM Research Apprentice Program, HOSA: Future Health Professionals, the Center of Excellence in Minority Health and Health Disparities and the Summer Undergraduate Research Experience, among others.

► Students:

- 89 percent are South Dakota residents.
- 44 percent grew up in a rural area.
- Come from 68 different South Dakota high schools.
- Students take four national board exams. All pass rates equal or exceed national averages for first-time takes (95-100 percent).

► Research:

- Active research programs focus on neuroscience, virology and the molecular basis of disease. Research is increasingly interdisciplinary, with medical scientists working collaboratively across colleges and universities.
- USD is one of 24 universities nationwide chosen for a five-year, \$1 million grant from the Howard Hughes Medical Institute to recruit more minority and underrepresented groups to major in science fields.

► Frontier and Rural Medicine Program (FARM):

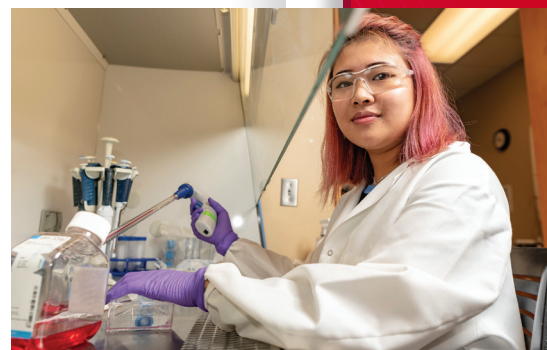
- Students train for nine months in a rural area. Applicants exceed slots.
- Sites include Milbank, Mobridge, Parkston, Pierre, Spearfish, Vermillion and Winner.
- 50 percent of FARM graduates entered family medicine.

► Faculty:

- Approximately 2,000 South Dakota physicians teach SSOM students.
- In FY19, Mark Garry, M.D., was recognized by the Gold Foundation as the top teaching physician in the country.

► Graduates:

- For the last three years, an average of 74 percent of graduates planned to practice in South Dakota.
- #1 in nation for graduates practicing in rural areas.
- Among the top in the nation for the proportion of students choosing to enter family medicine; for 2018 graduates, almost one in four entered family medicine.
- Approximately 3 percent of all SSOM students identify as Native American. This puts SSOM in the 98th percentile for the proportion of graduates who are Native American.





School of Health Sciences

USD is aligned with Governor Noem's commitment to rural South Dakota. USD's School of Health Sciences (SHS) significantly impacts the rural health and human services workforce in South Dakota. There are 11 programs within the school and eight of those are the only programs in the state. Many of these programs are long-standing and have significant historical impact in some professions, while others are relatively new but have substantially contributed toward meeting South Dakota workforce needs.

USD is actively seeking funding for a new 45,000 square-foot School of Health Sciences building to house the 11 programs to educate the more than 2,500 students enrolled each year in the state's only comprehensive School of Health Sciences. Each year, the school graduates 650 health care professionals in the areas below. These programs are spread over five different buildings:

- ▶ Addiction Counseling & Prevention
- ▶ Dental Hygiene
- ▶ Health Sciences Major
- ▶ Health Science Doctor of Philosophy
- ▶ Medical Laboratory Science
- ▶ Nursing
- ▶ Occupational Therapy
- ▶ Physical Therapy
- ▶ Physician Assistant Studies
- ▶ Public Health
- ▶ Social Work

Budget Request: \$27.5 million (\$20 million one-time state appropriation, \$7.5 million private gifts and other funds.)

Highlights for the SHS include:

- ▶ Enrollment continues to increase.
- ▶ Dental hygiene was awarded a federal grant to provide services to rural children, veterans and seniors.
- ▶ In the medical laboratory science degree, there is 100 percent job placement rate of graduates, with 78 percent staying in South Dakota.
- ▶ Compared to the other public institutions and to the state average, USD's nursing program enrolls the highest percentage of students who are South Dakota residents (78 percent). Among all eight baccalaureate nursing programs in the state, USD has the highest percentage of graduates who are licensed in South Dakota and stay to practice in South Dakota (81 percent compared to 71 percent statewide).
- ▶ The Master of Public Health program is only four years old and has more than 90 enrolled students.
- ▶ The Ph.D. in health sciences receives six times more applications than available slots.
- ▶ The Center for Prevention of Child Maltreatment fostered the REACH (Respond, Educate, Advocate, Council, Heal) clinic in Watertown.
- ▶ Addiction counseling and prevention is one of the few fully accredited programs in the U.S. and enrollment has been increasing (110 students in fall 2018).
- ▶ The Master of Public Health degree is a joint program with SDSU and is one of the few programs in the nation that focuses exclusively on rural and underserved communities. Of the summer 2017, fall 2018 and spring 2018 graduates, nearly 70 percent are working in medically underserved areas in urban, rural and tribal communities.





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